App. F. IX-4

1926.7. G.F. File No. 138.26.

(G.F.)

Serial Nos. 3.

Previous References
G.F. 126.26.112
G.F. 239.26.112
C.V. 60.25.1.3.
G.F. 281.25.2

~~Later References~~
G.F. 218.23.1.
G.M. 43-338 S/
Later papers 281-25 (18)

SF

General and Revenue Secretariat.

Serial Nos. Gen

P-14
E

Part B for June 1927.

SUBJECT

Audit and Appropriation Report of the Comptroller to Government on the Accounts for the year 1925-26.

Secs. 3.

To The Comptroller & Genl
The Heads of Departments
The Secretaries to Govt
The Deputy Commissioners of Divs
The Compiler, Abyssinian Gazette

No. PL 8991-9050 D 1.6.27

Passes orders on the recommendations of the P.A. Committee on the Comptroller's Audit & Appropriation Report for 1925-26.

Mr. Auth.

WD-01223—GPB—37,500—1-9-26

App. F. III—2]

Serial No.

The Report of the P.A committee for the year 25-26 was passed on 30th March 1927. A draft order on the points noticed in the Report is put up for approval.

The other file re the utilisation of grants for D.A. under 2 & Foreign & Secret works is put up for consideration

9/9/27.

Fair draft for appd

B
4/5

Subject: PAC Report for 24-25 & 25-26

Govt of India Report 24-25

Copies of A.G.'s Report for 26-27

FINANCIAL SECRETARY

No. 6991

Para. 31. Re. the unspent amount of Rs 10000/-

It is stated in the draft letter - 'Explanation asked for in this matter'. Why should not the question be 'Is fund to be surrendered?' In which stage is it?

I do not think it will be right to keep this pending when the case is closed. The order has been delayed to keep.

Let me know the h.p of this

h
7/9/27

Note please see flag W

Nerese 9/9/27

B
10/5 - clean draft h
21/5

Note - Contn. Sheet

WD 01225—GPB—37,500—1-9-26

General and Revenue Secretariat

File No

of 192 .

OFFICE OF THE SECOND MEMBER BOARD
26 MAY 1927
No. 1038

Serial No.

Revised Agenda for approval
2nd Meeting 4
28/5/27

Dewan 26.5.27

7589

7695
26.5.27

7727
27.5.27

Issue
27/5/27

Do the compln
Members Depts
Secretaries Depts
Dept Comrs of Stats
Comptroller Mysore Govt
No 28 8991-9050/97 138-265
Dated 1.6.27.
Passes orders on the A & A Report for 25-26.
The case will be closed now
~~but it is for orders~~.

DEWAN'S OFFICE.
Received on
26. MAY 1927
No. 7096

NOTE. Contn. Sheet

Proceedings of the Government of
His Highness the Maharaja of Mysore

R e a d:-

G.O.No.Rel.491 L.C. 8-26-1 dated 22nd December 1926 constituting The Public Accounts Committee for the year 1926-27.

2. Audit and Appropriation Report of the Comptroller to Government on the Accounts for 1925-26.

3. Report of the recommendations made by the Committee after scrutinising the Comptroller's report of 1925-26.

O R D E R N O:- A 8991-9050 G.F.138-26-3

Dated, Bangalore, the 1, 6, 1927

1. The Comptroller's A & A report on the accounts for 1925-26 submitted in January 1927 is the second of its kind dealt with by the P.A.Committee of the Legislative Council after the Reforms were introduced.

2. Orders of Government were published on the 27th January 1927 on the recommendations of the first Public Accounts Committee, which scrutinised the report of the Comptroller relating to the accounts of 1924-25. The result of that Committee's scrutiny of the accounts of the spending departments cannot, therefore, be observed in the present report of the Comptroller and the attention of the Heads of Departments is again invited to the

several directions contained in the G.O.No. Fl.5960-6005-G.F. 281-252 dated 27th January 1927.

3 Government observe with satisfaction that the report was submitted in time by the Comptroller, and were promptly dealt by the Public Accounts Committee before the end of February 1928. Their report was submitted to the Legislative Council at the March Session and was approved by that body.

4 The recommendations of the Committee made in the body of the report and the opinions expressed by them in the minutes of proceedings have been carefully considered by the Government, whose decisions are communicated in the following paragraphs:-

5 Paras 3,4& 5 of the Committee's report:-

Form of the Audit and Appropriation Report.:-

Subject to formal sanction, the report on the A & A accounts for 1925-26 was drawn up by the Comptroller on the improved lines on which similar reports are now prepared in British India. The Public Accounts Committee approved of the modifications in the form of the report and the arrangement of the material presented in it. Government accepted the recommendation and passed final orders (Vide G.O No.Fl.8034 dated 16-4-1927) prescribing the form of the report to be submitted by the Comptroller in future. The Committee however, desire to have the appropriation accounts

accounts prepared in a more enlarged form comparing appropriation and outlay in greater detail than in the report under review.

They have also observed that in respect of Irrigation Works charged to Revenue some of which are under the control of the special officer K.R.S.works and others under the Chief Engineer ~~and that~~ two separate statements - subsidiary to grant No.13, one showing the position in regard to works under the Chief Engineer and the other under the Special Officer K.R.S. works, might be given in future Reports. The Comptroller is requested to give effect to these recommendations.

6. Paras 8 & 11 ibid:- Comparison of Grants with actuals and control over expenditure.

The Committee reiterate the opinion ~~of the predecessors~~ that the watch over the progress of expenditure and the procedure for examination of the need for supplementary grants is capable of improvement and they recommend that steps should be taken to secure as far as possible greater approximation between Grants & actuals. The Comptroller's attention is invited to para 9 of the G.O. of 27th Jan.1927, and he is requested to submit in consultation with ~~the two~~ the heads of spending departments, a suitable scheme for the consideration of ~~Gover~~ Government.

7 Para 14 ibid:- Refunds under Revenue - Heads:-

Orders have already issued authorising ~~adoption of~~ the procedure ~~in vogue in~~ -

~~in British India~~ of bringing together all refunds under a separate vote.

8 Para 16 ibid:- Iron-Works Revenue accounts:-

In regard to the excess in the Iron works accounts due to the writing off of ~~xxx~~ arrear losses, the Committee point to the need to anticipate the excess over grant as early as possible and to have it covered by a supplementary grant sanctioned by the Legislative Council before the close of the year. Govt agree in this view and action will be taken to give effect to the suggestion of the committee.

9 Para 17 ibid:- Excess under Loans ~~Losses~~ and Advances.

The Committee observe that in the case of some of the items included under this head, the bugetting is capable of improvement and that in others the excesses should have been noticed earlier and timely action taken to obtain supplementary grants.

The ~~Comptroller is~~ Heads of Departments dealing with these documents are requested to note these suggestions and give effect to them as far as possible.

10. In commenting on the ~~irregularitites~~ individual items of irregularities mentioned in the Comptroller's audit report, the Committee have invited special attention to certain special features in the Departments of Public Works, Industries and Commerce, Agriculture and Railways.

11 P.W.D Para 19 ibid:- Works started without Estimates.

Except in very emergent cases, works should not be started ~~without~~ in the absence of duly sanctioned

appropriation and outlay in greater detail than in the report under review. They have also observed that in respect of Irrigation Works charged to Revenue some of which are under the control of the special officer - K.R.S. Works, and others under the Chief Engineer

sanctioned estimates. Government direct that this rule be regarded as a fundamental one and that its ~~scrupulous~~ observance be strictly enforced.

/2 Para 20 ibid:- Irrecoverable advances:-

As the result of the scrutiny of the cases of irrecoverable advances, the Committee have observed that the accounts of advances are apparently not properly maintained in the Divisions and the responsibility of both the Executive staff and the accountants in this respect should be brought home to them. The Chief Engineer's attention is drawn to these observations.

/3 Para 21 ibid :- Enhancement of Tendered Rates:-

Government accept the opinion of the Committee that tendered rates should not be enhanced by the tender-accepting authority even when the cost of the estimate as revised on account of this enhancement is within the powers of sanction of such authority and that when for any reason an increase in rates is found necessary, the case should be submitted for the orders of the next higher authority The Chief Engineer is requested to issue ~~circular~~ instructions for the stict observance of this rule in future.

/4 Para 22 ibid:- Excessive expenditure on residential quarters.

The Committee suggest that notice should be taken of the reported cases of excessive expenditure on residential

expenditure on residential quarters ~~in~~ under ~~various devices~~ and that steps should be taken to prevent such excessive outlay in future.

The Chief Engineer Is attention is invited to para 54 of the Committee's minutes of ~~progress~~ preceding and he is requested to make an investigation into the matter and take necessary action for the prevention of such irregularities in future.

Para 23. Madapam & Pamban Causeway Sd. 204 Standing
15. The rates of percentage charges levied on account of establishment, and tools and plants ~~in the light of present day conditions~~ in respect of works executed by the P.W.D. for Local Funds and other bodies are reported to require investigation in the light of present day conditions.

Orders have issued enhancing the percentage charges on works undertaken on behalf of the Imperial Postal and Telgraph Department, and Military Department. (Vide G.O.No. 8259-61 dated 25-4-1927.) The Chief Engineer is requested to go into the matter fully as suggested by the Committee and report to Government ~~for orders, all~~ other cases in which the existing rates require revision.

16. Para 25 ibid:- Financial Assistant to the Chief Engineer:-

The Public Works Department being a ~~large~~ large spending department, the Committee consider it desirable that the Chief Engineer should be given the help of a Financial Assis

Assistant for dealing with all matters relating to accounts and finance and for improving the system of internal audit of all monetary transactions of the Department. It is stated that this arrangement will not entail any additional cost and that by a readjustment of work the Chief Engineer may be given all help and advice he requires in the financial administration of his Department. The system of appointing Financial Assistants has been working well in the Electrical and the Education Departments, and the Committee's suggestion commends itself to Government.

The Chief Engineer is requested to submit detailed proposals on the lines recommended by the Committee in consultation with the Comptroller

7 Paras 26 & 27 ibid:- Industries Department:-

The practice of providing for fixed capital expenditure out of funds allotted as working capital should cease at once.

The Director of Industries and Commerce should take very early action to remedy the following defects in the administrations of the concerns under his control brought to notice:-

(1) Delay in recovering dues.
(2) Absence of Detailed lists of Fixed Assets.
(3) Delay in completion of work ordered

It is not satisfactory that the working of the several concerns should result in loss year after year. The Director of

Director of Industries and Commerce is requested to carefully examine the financial position of each concern with a view to bring it to order without delay.

Para 29-31 Ibid Agricultural Department.

18 Government regret to notice that there is very little or no improvement in the financial administration of this department. Most of the irregularities now existing are reported to be due to the violation of the ordinary rules laid down for regulating public expenditure.

19 The attention of the Director of Agriculture is invited to the observation made by the Committee in para 31 & 158 of the Report, and he is requested to take prompt action to withdraw the ~~large~~ balance (of Rs.5,000) remaining unspent ~~from~~ the Biological Institute of Australia Ltd.

20 With a view to improve the working of the Department on its financial side, the Committee ~~made certain suggestions. They~~ suggest- ~~recommend~~ that the charges in this department may be classed under two heads ~~"~~Normal and Special~~"~~, the charges under the first group being met from ~~"~~Ordinary~~"~~ imprests and those under the second ~~head being met~~ from ~~"~~Special~~"~~ imprests - both classes of expenditure being recouped frequently.

21 The Committee further recommend that the Director be given the help temporarily if not as a permanent measure of a Financia

Financial Assistant for evolving a system of accounts suited to the requirements of the Department. The Director is requested to formulate in consultation with the Comptroller detailed proposals for the consideration and orders of Government.

Para 32 ibid Railway Department.

22 The attention of the Agent and Railway Secretary is invited to the observation of the Committee in this para, and to the direction contained in G.O. No. FL.5726-9 | G.O. No. FB 323-25-1 dated 17.4.24 and 4

~~The Committee emphasised~~ the need for greater co-operation between the Audit and other departments of the Railway Administration and for the utilisation by the Agent of the services of the Auditor in his capacity as the Financial Adviser of the Department. ~~Government hope that the next report will show better results~~ emphasised by the Committee.

23 In regard to other points dealt with in the Committee's Report or proceedings Government desire that the Depts. concerned will take the necessary action to give effect to the views expressed and suggestions made by the Committee ~~be~~ examined in detail by the departments concerned and necessary action taken to give effect to the Committee's recommendations.

~~For~~ Financial Secretary to Government.

To

The Comptroller,
The Heads of Departments,
The Secretaries to Government,
The Dy.Commrs.of Districts,
The Compiler,Mysore Gazette.

PRESS TABLE.

Government of His Highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 8991-9050—G. F. 138-26-3, dated 1st June 1927.

Public Accounts Committee.

Passes orders on the recommendations of the —— on the Comptroller's Audit and Appropriation Report for 1925-26.

READ—

Government Order No. Rel. 491—L. C. 8-26-1, dated 22nd December 1926, constituting the Public Accounts Committee for the year 1926-27.

2. Audit and Appropriation Report of the Comptroller to Government on the Accounts for 1925-26.

3. Report of the recommendation made by the Committee after scrutinising the Comptroller's Report of 1925-26.

ORDER No. Fl. 8991-9050—G. F. 138-26-3, DATED 1ST JUNE 1927.

The Comptroller,s Audit and Appropriation Report on the accounts for 1925-26, submitted in January 1927 is the second of its kind dealt with by the Public Accounts Committee of the Legislative Council after the reforms were introduced.

2. Government observe with satisfaction that this report was submitted in time by the Comptroller and promptly dealt by the Public Accounts Committee whose recommendations were submitted to the Legislative Council at the Session held in March 1927 and approved by that body.

3. The recommendations of the Committee made in the body of the report and the opinions expressed by them in the minutes of proceedings have been considered by the Government, whose decisions on the points raised are communicated in the following paragraphs:—

4. *Paras 3, 4 and 5 of the Committee's Report Form of the Audit and Appropriation Report.*—With the provisional sanction of Government, the report on the Audit and Appropriation accounts for 1925-26, was drawn up by the Comptroller on the improved lines on which similar reports are now prepared in British India. The Public Accounts Committee approved of the modifications in the form of the report and the arrangement of the material presented in it. Government accepted the recommendations and passed final orders (*vide* G. O. No. Fl. 8034, dated 16th April 1927) prescribing the form of the report to be submitted by the Comptroller in future. The Committee desire however to have the appropriation accounts prepared in a more enlarged form comparing Appropriation and Outlay in greater detail than in the report under review.

They have also observed that in respect of irrigation Works charged to Revenue some of which are under the control of the Special Officer, Krishnarajasagara Works and others under the Chief Engineer, two separate statements subsidiary to grant No. 13, one showing the position in regard to works under the Chief Engineer and the other under the Special Officer, Krishnarajasagara Works, might be given in future reports. The Comptroller is requested to give effect to these recommendations.

5. *Paras 8 and 11 ibid—Comparision of grants with actuals and control over expenditure.* The Committee reiterate the opinion that the watch over the progress of expenditure and the procedure for examination of the need for supplementary

grants is capable of improvement and they recommend that steps should be taken to secure as for as possible greater approximation between Grants and Actuals. The Comptroller's attention is invited to para 9 of the Government Order of 27th January 1927, and he is requested to submit in consultation with the heads of spending departments a suitable scheme for the consideration of Government.

6. *Para* 14 *ibid—Refunds under Revenue Heads.*—Orders have already issued authorising the procedure of bringing together all refunds under a separate vote.

7. *Para* 16 *ibid—Iron Works Revenue Accounts.*—In regard to the excess in the Iron Works accounts due to the writing off of arrear losses, the Committee point to the need for anticipating the excess over grant as early as possible and for having it covered by a supplementary grant sanctioned by the Legislative Council before the close of the year. Government agree in this view and action will be taken to give effect to the suggestion of the Committee.

8. *Para* 17 *ibid—Excess under Loans and Advances.*—The Committee observe that in the case of some of the items included under this head, the budgetting is capable of improvement and that in others the excesses should have been noticed earlier and timely action taken to obtain supplementary grants.

The Heads of Departments dealing with these disbursements are requested to note these suggestions and give effect to them as for as possible.

9. In commenting on the individual items of irregularities mentioned in the Comptroller's audit report, the Committee have invited special attention to certain special features in the Departments of Public Works, Industries and Commerce, Agriculture and Railways.

10. *Public Works Department, Para* 19 *ibid—Works started without Estimates.*—Except in very emergent cases, works should not be started in the absence of duly sanctioned estimates. Government direct that this rule be regarded as a fundamental one and that its observance be strictly enforced.

11. *Para 20 ibid—Irrecoverable advances.*—As the result of the scrutiny of the cases of irrecoverable advances the Committee have observed that the accounts of advances are apparently not properly maintained in the Divisions and the responsibility of both the Executive staff and the accountants in this respect should be brought home to them. The Chief Engineer's attention is drawn to these observations.

12. *Para 21 ibid—Enhancement of Tendered Rates.*—Government accept the opinion of the Committee that tendered rates should not be enhanced by the tender-accepting authority even when the cost of the estimate as revised on account of this enhancement is within the powers of sanction of such authority and that when for any reason an increase in rates is found necessary, the case should be submitted for the orders of the next higher authority. The Chief Engineer is requested to issue instructions for the strict observance of this rule in future.

13. *Para 22 ibid—Excessive expenditure on residential quarters.*—The Committee suggest that notice should be taken of the reported cases of excessive expenditure on residential quarters and that steps should be taken to prevent such excessive outlay in future.

The Chief Engineer's attention is invited to para 54 of the Committee minutes of proceedings and he is requested to make an investigation into the matter and take necessary action for the prevention of such irregularities in future.

14. *Para 23—Inadequacy of percentages levied on account of establishment Tools and Plant charges.*—The rates of percentage charges levied on account of establishment and tools and plant in respect of works executed by the Public Works Department for Local Funds and other bodies are reported to require investigation in the light of present day conditions.

Orders have issued enhancing the percentage charges on works undertaken on behalf of the Imperial Postal and Telegraph Department and Military Department (*Vide* G. O. No. Fl. 8259-61, dated 25th April 1927). The Chief Engineer is requested to go into the matter fully as suggested by the Committee and report to Government other cases in which the existing rates require revision.

No. FL. 8991-9050—G. F. 138-26-3, DATED 1ST JUNE 1927.

15. *Para 25 ibid—Financial Assistant to the Chief Engineer.*—The Public Works Department being a large spending department, the Committee consider it desirable that the Chief Engineer should be given the help of a Financial Assistant for dealing with all matters relating to accounts and finance and for improving the system of internal audit of all monetary transactions of the department. They observe that this arrangement may not entail any additional cost and that by a readjustment of work in the Comptroller's Office the Chief Engineer might be given all help and advice he requires in the financial administration of his department.

The Comptroller is requested to submit detailed proposals on the lines recommended by the Committee in consultation with the Chief Engineer.

16. *Paras 26 and 27 ibid—Industries Department.*—The practice of utilising for fixed capital expenditure funds allotted as working capital should cease at once.

The Director of Industries and Commerce should take very early action to remedy the following defects in the administration of the concerns under his control brought to notice:—

(1) Delay in recovering dues.
(2) Absence of detailed lists of Fixed Assets.
(3) Delay in completion of work ordered.

It is not satisfactory that the working of the several concerns should result in loss year after year. The Director of Industries and Commerce is requested to carefully examine the financial position of each concern with a view to bring it to order without delay.

17. *Paras 29 31 ibid—Agricultural Department.*—The attention of the Director of Agriculture is invited to the observation made by the Committee in paras 31 and 158 of the Report, and he is requested to take prompt action to withdraw the balance (of Rs 8,000) remaining unspent with the Biological Institute of Australia Ltd.

18. With a view to improve the working of the Department on its financial side, the Committee suggest that the charges in this department may be classed under two heads—Normal and Special—the charges under the first group being met from Ordinary imprests and those under the second from special imprests—both classes of expenditure being recouped frequently.

19. The Committee further recommend that the Director be given the help temporarily if not as a permanent measure of a Financial Assistant for evolving a system of accounts suited to the requirements of the Department. The Director is requested to formulate in consultation with the Comptroller detailed proposals for the consideration and orders of Government.

20. *Para 32 ibid—Railway Department.*—The attention of the Agent and Railway Secretary is invited to the observation of the Committee in this para to the directions contained in Government Order No. Fl. 5726-9—G. F. 213-23-1, dated 17th April 1924, and to the need for greater co-operation between the Audit and other Departments of the Railway Administration and for the utilisation by the Agent of the services of the Auditor in his capacity as the Financial Advisor of the Department emphasised by the Committee.

21. In regard to other points dealt with in the Committee's Report or proceedings, Government desire that the Departments concerned will take the necessary action to give effect to the views expressed and suggestions made by the Committee.

B. SREENIVASA IYENGAR,
Secretary to Government,
Financial Department.

To—The Comptroller, Mysore Government.
The Heads of Departments.
The Secretaries to Government.
The Deputy Commissioners of Districts.
The Compiler, *Mysore Gazette.*
PRESS TABLE.

Exd.—P. S. R. N.

W D 2498—GPB—655—20-6-27